THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI E. PONNUSWAMY): (a) to (c) Balmer Lawrie Freight Containers Ltd. (BLFC) is not a subsidiary of Balmer Lawrie & Company Ltd. (BL). It is a joint venture promoted by BL with 49% share holding. 51% shares are held by institutional investors and public. The company has reported itself to be potentially sick under Section 23 of Industrial Disputes Act.

The proposal of the company for the grant of Rs. 45 crores soft loan is still with Oil Industries Development Board (OIDB) for their consideration.

Tax benefits to oil refineries

864. SHRI NILOTPAL BASU: Will the Minister of PETROELUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that certain tax benefits are being extended to Numaligarh Refinery Ltd.

(b) if so, the details thereof;

(c) whether similar benefits will be extended to Bongaigaon Refinery and Petrochemicals and the other two refineries of IOC;

(d) if so, the proposed time frame; and

(e) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI E. PONNUSWAMY): (a) and (b) The benefit of exemption from excise duty available to goods cleared from units located in the States of Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Tripura has also been extended to Numaligarh Refinery with effect from 9th February, 2000.

(c) to (e) The exemption from excise duty under notification Nos. 32 and 33/99 both dated 8th July, 1999 is available only to units that were either set up or have undertaken substantial expansion on or after 24.12.97. Bongaigaon Refinery had completed its substantial expansion prior to this date. Hence, there is no proposal to extend

the benefit of these exemptions to Bongaigaon Refinery. As regards IOC refineries, they would get the benefit of these exemptions if they satisfy the conditions specified in the notification.

Withdrawing subsidy on petroleum products

†865. SHRI D.P. YADAV:
SHRI JHUMUK LAL BHENDIA:

Will the Minister of PETROELUM AND NATURAL GAS be pleased to state:

(a) whether Government are contemplating to withdraw subsidy on LPG, Kerosene oil, diesel and petrol in order to reduce the oil pool deficit;

(b) if so, by when this subsidy will be withdrawn and to what extent; and

(c) if not, what scheme has been prepared to see that the benefits of the economic reforms reach to the poor through subsidy?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI E. PONNUSWAMY): (a) to (c) Pursuant to decision taken by the Government in November, 1997, on phased programme of dismantling of adminstered price mechanism, the ex-storage point price of LPG (domestic) and kerosene oil (PDS) are administered and subsidy given on these products are being met by way of cross subsidisation of products like motor spirit and aviation turbine fuel prices of which are fixed above the import parity level. The price of diesel is fixed on the principle of import parity pricing upto the ex-storage point level. The Government had also decided that subsidy on LPG (domestic) and kerosene oil (PDS) will be reduced in phases to reach the level of 15% and 33.33% of the import parity price by 2000-01 and 2001-02, respectively. The subsidy will be transfered to the fiscal budget from the year 2002 ownwards.

†Original notice of the question received in Hindi.